# GOVERNMENT OF INDIA
# PETROLEUM AND NATURAL GAS
# LOK SABHA

UNSTARRED QUESTION NO:2058
ANSWERED ON:11.08.2011
DISCOUNT ON PURCHASE OF HIGH SPEED DIESEL
Shantha J.

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

(a) whether the Oil Marketing Companies (OMCs) give any discount for purchase of high speed diesel by the Indian Railways;

(b) if so, the details thereof;

(c) the amount of diesel procured by Indian Railways during the last three years;

(d) the reasons for extending discount by the OMCs to the Railways especially when they are running in loses?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b): Pulic Sector Oil Marketing Companies (OMCs) give discount of Rs.315/- per Kilo Litre for purchase of High Speed Diesel (HSD) to Indian Railways. The discount has been given against a rate contract placed by Railway Board from 01.10.2010 to 31.12.2011.

(c): The details of Diesel procured by Indian Railways from Public Sector OMCs during the last three years are given below:

| Year | Quantity (in Thousand KL) |
|---|---|
| 2008-09 | 2583 |
| 2009-10 | 2699 |
| 2010-11 | 2864 |
| Total | 8146 |

d): Discount and supply terms for supply of HSD to Railways is finalized based on public tender, and are based on commercial considerations and market conditions. Further, OMCs save on distribution costs in the case of direct sales to Railways.